

Message Text

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PAGE 01 STATE 018931 POSS DUPE
ORIGIN EUR-12

INFO OCT-02 ISO-00 XMB-02 EB-08 INR-07 COME-00 AID-05
CIAE-00 FRB-03 NSAE-00 USIA-06 TRSE-00 OPIC-03
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DRAFTED BY XMB:J FLEIG/STATE:EUR/EE:S FROMOWITZ:MHF
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R 242113Z JAN 78
FM SECSTATE WASHDC
TO AMEMBASSY WARSAW
AMEMBASSY BELGRADE
AMCONSUL ZAGREB
INFO AMEMBASSY BERLIN
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
AMEMBASSY MOSCOW
AMEMBASSY PRAGUE
AMEMBASSY SOFIA

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E.O. 11652: N/A

TAGS: EGEN, EFIN, YO, PL

SUBJECT: EXIMBANK: POLISH CREDITS FOR SBR PLANT AT SISAK,
YUGOSLAVIA

BEGIN UNCLASSIFIED
1. EXIMBANK HAS BEEN APPROACHED BY A PROSPECTIVE U.S. SUPP-
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LIER OF GOODS AND SERVICES, AS WELL AS A CHEMICAL PROCESS,
IN CONNECTION WITH THE CONSTRUCTION OF A 40,000 MTPY
STYRENE/BUTADIENE RUBBER (SBR) PLANT TO BE ACQUIRED BY INA
AT SISAK, YUGOSLAVIA. US SUPPLIER WOULD CONTRACT WITH
POLISH FIRM POLIMEX-CEKOP. POLIMEX-CEKOP WOULD ACT AS
PRIME CONTRACTOR WITH INA AND WOULD ALSO SUPPLY SOME POLISH
EQUIPMENT.

2. US SUPPLIER ASSERTS THAT ONE OF THE PREREQUISITES OF THE CONTRACT AWARD WILL BE A WILLINGNESS ON THE PART OF EXPORT FINANCIERS TO EXTEND CREDIT TO POLAND FOR THIS PROJECT, SINCE YUGOSLAVIA WILL REPORTEDLY USE THIS PROJECT AS A MEANS OF CLEARING AMOUNTS DUE YUGOSLAVIA FROM POLAND. SUPPLIER BELIEVES THAT A GERMAN FIRM HAS AGREED TO SUCH AN ARRANGEMENT, AND EXIM IS QUERYING HERMESKREDIT TO LEARN WHETHER THERE IS GERMAN EXPORT CREDIT SUPPORT. ALL THE SBR IS DUE TO BE CONSUMED WITHIN YUGOSLAVIA.
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3. GIVEN CURRENT POLISH ECONOMIC PROBLEMS AND RESULTANT INVESTMENT CURTAILMENTS, EXIM WISHES TO CONSIDER CAREFULLY BEFORE DECIDING WHETHER TO SUPPORT THIS PROJECT. TOTAL COST OF PROJECT IS ESTIMATED AT \$20 MILLION. EXIM HAS ADVISED SUPPLIER THAT IT WOULD PREFER TO CONSIDER PROJECT AS YUGOSLAV RISK, BUT SUPPLIER BELIEVES THAT CONTRACT AWARD DEPENDS UPON AGREEMENT TO POLISH FINANCING.

4. ANY INFORMATION THAT POSTS CAN PROVIDE ABOUT THE PROJECT WILL BE APPRECIATED.

5. COMMENT BY DEPARTMENT. IT IS OUR UNDERSTANDING THAT POLAND AND YUGOSLAVIA AGREED IN THE EARLY 1970'S TO ABAN-
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DON THE CEMA CLEARING SYSTEM FOR BILATERAL TRADE, BUT THAT IN FACT A FORM OF HARD CURRENCY CLEARING WAS PUT IN ITS PLACE. RATHER THAN SETTLEMENT OF TRADE ACCOUNTS THROUGH PROMPT TRANSFER OF HARD CURRENCY, DOLLAR-DENOMINATED CREDIT BALANCES WERE ESTABLISHED. (IT IS UNCLEAR WHETHER DEADLINES FOR SETTLEMENT WERE ESTABLISHED.) THERE HAVE BEEN REPORTS THAT YUGOSLAVIA AND POLAND HAVE BEEN CONSIDERING MODIFICATIONS TO THIS ARRANGEMENT, INCLUDING ESTABLISHMENT OF CLEARER REPAYMENT REQUIREMENTS. WE WOULD BE INTERESTED IN POSTS' COMMENTS ON HOW THE SYSTEM CURRENTLY OPERATES; ON ANY CHANGES THAT HAVE TAKEN PLACE RECENTLY; AND ON THE PROSPECTS FOR YUGOSLAVIA AND POLAND (AND PERHAPS OTHER EES) TO MOVE EVEN FURTHER TOWARD A CONVENTIONAL SETTLEMENT SYSTEM. COMMENTS ON THESE QUESTIONS SHOULD NOT DELAY RESPONSE TO EXIM QUERY IN PARAGRAPH 4. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
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Concepts: RUBBER, LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE018931
Document Source: CORE
Document Unique ID: 00
Drafter: J FLEIG/STATE:EUR/EE:S FROMOWITZ:MHF
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Film Number: D780037-0901
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Handling Restrictions: n/a
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Legacy Key: link1978/newtext/t19780128/aaaaaxfm.tel
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Litigation History:
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
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Review Content Flags:
Review Date: 26 apr 2005
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Review Exemptions: n/a
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TAGS: EGEN, EFIN, EINV, YO, PL, XMB
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